

Chief, D/I

9 July 1959

TO: Assistant Director for Research and Reports  
FROM: Chief, Economic Research Area  
SUBJECT: Activity Report for the Month of June 1959

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Monthly  
Up*

Current and Other Support Activities

Intra-Agency Support

1. During June, ORR support for OCI involved preparation of articles dealing with Sino-Soviet Bloc agricultural prospects, civil defense developments in the Bloc, Bloc attempts to deliver arms to the Algerian Rebels, current status of the Chinese communes, the background of the 24 June Soviet Central Committee Plenum, and new Soviet submarine classes.

2. Support to the DCI and the DD/I involved contributions to briefings on the commune program and on Soviet military power. Ch/E and Deputy Chief, D/I, assisted I/GM in preparing a limited distribution paper for the DD/I which analyzed the implications of recent remarks made by Krushchev concerning the Soviet guided missile program. M/FP prepared background materials for use by the DCI in briefing the NSC on Soviet capabilities for exporting petroleum to the West. Subsequently, M/FP provided material for a memorandum to the President on petroleum supply and demand in the USSR in 1958 and 1965. M/FM, M/NF and M/FP contributed information to a project on mine shafts in the USSR for the DCI. Mr. [REDACTED] S/CSF, prepared a briefing paper for the DCI to use in briefing Governor Nelson Rockefeller of New York and his commission on civil defense.

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3. Chief, I/GM, participated in a meeting chaired by the DD/I to discuss coordination of the intelligence community's requirements for the Vice President's forthcoming visit to the USSR.

4. A paper prepared in OSI stating the CIA position on the organization and control of the Soviet guided missile program was substantially revised by I/GM and forwarded to the DCI jointly by AD/RR and AD/SI for transmittal to the Senate Armed Services Committee in reply to a request from that Committee.

5. A series of regular weekly meetings was started in June between Chief, I/GM, Chief, GMD/OSI, and senior members of both organizations to exchange views and improve coordination on the growing number of major substantive problems affecting the research of both offices.

ASD 6. Deputy Chief, D/I, Chief, I/SH, and branch analysts held several meetings with representatives of OSI/WD on USSR nuclear submarine production.

7. M/AG assisted in preparing comments on a paper by the Committee for Economic Policy (White House) regarding ICA policy on assistance to agriculture abroad. A memorandum including ORR comments was addressed to the DD/I by the AD/RR.

8. Intelligence support was rendered to DD/P on the following occasions:

a. I/GM support to DD/P included preparation of a detailed statement on guided missile intelligence collection targets throughout Poland; a series of conferences with an EE case officer regarding exploitation of a particular Polish source; and preparation of a special evaluation of the series of bi-weekly reports from [REDACTED] initiated largely at the request of I/GM, on missile deployment in the European Satellites. 25X1A6b

b. M/AG submitted a special report at the request of DD/P on "Cotton Production of the Major Underdeveloped Nations and the Communist Bloc".

c. M/AG and S/TF assisted in the preparation of a paper on the USSR fishing industry for the [REDACTED] at the request of DD/P. 25X1A6b

#### Inter-Agency Support

9. Watch Committee support dealt principally with Bloc arms trade and the effect of the flood in China.

10. Chief, I/SH, participated in a briefing of Admiral Post of the Joint Staff on recent Soviet submarine developments.

11. Members of I/GM met with Major Likens of ACSI and interested OCI observers to review the basis for the I/GM critique of the ACSI paper on Soviet missile deployment in East Germany published by the Special USIB Committee on the Berlin Situation.

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12. Mr. [REDACTED] I/FE, provided information to ACSI on the motor vehicle and tractor industries of Hungary, and to Army Ordnance Technical Intelligence on the same industry in Communist China, both in connection with Army's preparation of NIS contributions.

13. Members of D/I and D/M met with representatives of the Directorate of Targets, AFCIN-3 to discuss a more convenient worksheet for submitting semi-annual ORR production estimates of specified Sino-Soviet Bloc industries.

14. At the request of the AD/RR, M/FP prepared an evaluation of a report by Mr. [REDACTED] on his recent trip to the USSR, to be transmitted to Dr. Norris G. Kenney, Office of the Assistant Secretary of Defense.

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15. Members of M/AG met with representatives from the Departments of State and Agriculture to discuss estimates of Soviet agricultural production in 1965. A discussion of the current agricultural situation in East Germany and Poland also was held with a representative of the Department of Agriculture.

16. S/TD participated in the Port Security Committee's consideration of the entries of several "category" vessels. These included the proposed entry of the Russian research vessel MIKHAIL LOMONOSOV into New York in August. This proposed visit has been coordinated with the USIB Committee on Exchanges.

17. During June, S/TD continued preparation of intelligence support for the forthcoming fall COCOM review of controlled commodities. A substantial number of intelligence statements on strategic commodities were prepared with the assistance of appropriate elements of ERA.

18. The report entitled "The Labor Force of the Soviet Zone of Germany and the Soviet Sector of Berlin" was reviewed by members of A/PC and has been sent forward by the Foreign Manpower Research Office for publication. It is anticipated that this report will appear as a Bureau of the Census publication in about 6 weeks.

Research Planning and Program Development

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19. [REDACTED]

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[REDACTED] spent two days reviewing and discussing individual branch research activities and responsibilities and the Division's FY 60 Research Program with Chief, ERA, Deputy Chief, D/I, and individual branch chiefs and analysts.

20. Chief, I/EE, together with other ORR personnel, completed several actions in support of the ORR ELINT Committee. Information relating to the study being undertaken by this Committee was obtained from the Federal Communications Commission, the Air Technical Intelligence Center, OSI, the [REDACTED]

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21. Members of M/AG attended a briefing by Major [REDACTED] Air Weather Service, on the use of Thornthwaite's evapo-transpiration ratio for determining soil moisture availability and its relation to crop yields.

Liaison Activities

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22. Chief, I/GM, represented ORR at a meeting between [REDACTED] and representatives of the Board of National Estimates and OSI, at which [REDACTED] outlined his current views on the Soviet ICBM program. These views will be circulated for further comment in written form in the near future, and will be available for detailed examination.

23. M/FM provided memoranda for [REDACTED] estimating the performance and potential of the Communist Chinese iron and steel industry. Data also were supplied to [REDACTED] on the East German steel industry.

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24. [REDACTED] included [REDACTED] who conferred with members of D/S regarding civil air transport and other phases of transportation.

USIB Exchange Program

25. Chief, I/EE, attended a meeting of the USIB Committee on Exchanges in connection with the extension of the US/USSR Exchange Agreement. He was primarily representing the EIC Electronics and Telecommunications Subcommittee interest in an exchange of Microwave Communications. This exchange was originally proposed by the USSR. It was pointed out that this is an area of sensitivity from the security point of view, and that a very careful consideration of net advantage must be made. I/PE also provided support to this committee by suggesting plants in Novosibirsk and Sverdlovsk which Vice-President Nixon's group might visit on their trip to the USSR.

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26. Chief, M/CH, conferred with [REDACTED] and with members of ATIC on the proposed [REDACTED] tions with the USSR. Work on the organization of the US delegation is now underway.

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28. M/FP also submitted recommendations concerning the proposed [REDACTED]

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29. Requirements were prepared by M/FM in connection with the planned visit of Soviet Deputy Premier Frol Kozlov to several American steel plants. A proposed exchange with the USSR in the foundry field was discussed with [REDACTED] the State Department.

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30. Mr. [REDACTED] S/TR, visited with Mr. [REDACTED] to discuss prospects for the proposed US-USSR exchange. It now seems probable that the U.S. will delay negotiating this exchange until 1960.

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Miscellaneous

31. The US Delegate to the June 2-5 meeting of the ECE Steel Committee in Geneva was debriefed by M/FM and suggestions were provided regarding the content of several of the Committee reports.

32. On 4 June, Chief, D/S, spoke to members of the Mid-Career Course on Foreign Affairs on "Basis and Use of Economic Power" at the Foreign Service Institute, Department of State.

33. Members of D/A participated in debriefings of [REDACTED]

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[REDACTED] Discussions frequently dealt with the application of mathematical techniques to economic planning.

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Statistical Commission and the ECE. [REDACTED] feels that the meetings were very useful in clarifying concepts and providing some insight into the techniques used in the USSR and Satellite countries in their calculations of gross national product.

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Distribution:

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